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January 18, 2012

VIA ELECTRONIC FILING AND REGULAR MAIL

Honorable Michael A. Shipp
U.S. Magistrate, United States District Court
Martin Luther King Building & US Courthouse
50 Walnut Street
Newark, NJ 07102

Re: Walsh Securities, Inc. v. Cristo Property Management, et al.
United States District for the District of New Jersey
Civil Action No. 97-3496 (DRD)(MAS)

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Dear Judge Shipp:

We represent the defendant, Commonwealth Land Title Insurance Company, in this case. I write this letter on our behalf, and Edward J. Hayes, Jr., Esq. the attorney for co-defendants Nations Title Insurance of New York Inc. and Fidelity National Title Insurance Company of New York, joins in this letter.

I write about the discoverability of any reserves set by the title insurance defendants. On January 3, 2012 Your Honor entered a Letter Order (Document No. 494) requiring the title insurance defendants to submit an Affidavit that provides more specific information regarding the process and procedure by which the title insurance defendants set the particular reserves at issue in this matter. On January 17, 2012 our office electronically filed the Affidavit required by Your Honor's January 3, 2012 Letter Order (Document No. 507).

Your Honor will recall that when all counsel appeared before Your Honor for oral argument on the motion concerning reserves, Mr. Hayes and I argued that the Court should not render any decision on that issue until the Court, per Judge Debevoise, rendered its decision on the motions filed by the title insurance defendants for partial summary judgment on bad faith. On January 17, 2012 all counsel appeared before Judge Debevoise for oral argument on various motions for partial summary judgment. Judge Debevoise has reserved on the title insurance defendants' motion for partial summary judgment dismissing the bad faith claims. [See Minute Entry entered by Judge Debevoise on January 17, 2012 as Document No. 505.] While Mr. Hayes and I continue to oppose plaintiff's motion concerning the discoverability of reserves on the merits, I wanted to inform Your Honor of the status of the motions

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that Mr. Hayes and I have filed for partial summary judgment dismissing with prejudice plaintiff's bad faith claims.

Respectfully submitted,



David R. Kott

DRK:tas

cc: Robert A. Magnanini, Esq. (via electronic filing & email)
Edward J. Hayes, Jr., Esq. (via email)
Amy Walker Wagner, Esq. (via email)
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